

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Audited Financial Statements

For the year ended March 31, 2019

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

For the Year Ended March 31, 2019

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Independent Auditors' Report

To the Board of Directors
Provincial Association of Transition Houses and Services of Saskatchewan Inc. (PATHS)

Opinion

We have audited the financial statements of PATHS, which comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of PATHS, as at March 31, 2019 and its financial performance and cash flows for the year then ended March 31, 2019 in accordance with Canadian Accounting Standards for NotforProfit Organizations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities:

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

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Independent Auditors' Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Priority Accounting Services CPA Prof. Corp.
Chartered Professional Accountants

June 04, 2019

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Statement of Financial Position

For the Year Ended March 31, 2019

	Note	2019	2018
Assets			
Current Assets			
Cash		\$ 83,850	\$ 101,164
Accounts receivable, net of allowances	2.	1,164	3,184
Term investments	5.	27,388	27,058
Prepaid expenses		1,619	2,054
Total Current Assets		114,021	133,460
Property, plant and equipment, net of accumulated amortization	3.	8,249	1,587
Pension fund	4.	11,065	5,686
Total Assets		\$ 133,335	\$ 140,733
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	6.	\$ 9,743	\$ 12,422
Deferred income/revenue	7.	54,426	70,488
Total Current Liabilities		64,169	82,910
Net Assets			
Net Assets		69,166	57,823
Total Liabilities and Net Assets		\$ 133,335	\$ 140,733

Approved on Behalf of the Board:

Sandy Bashnick

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The accompanying notes are an integral part of these financial statements.

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Statement of Operations

For the Year Ended March 31, 2019

	2019	2018
Revenue		
Grants- Schedule 1	\$ 296,084	\$ 359,591
Membership fees	11,050	10,500
Conference	28,113	7,502
Donations income	3,931	4,445
International Women's Day	1,035	533
Fees for services and other income	7,926	7,159
Interest income	1,495	1,144
Total revenue	349,634	390,874
Operating expenses		
Amortization of tangible assets	1,453	529
Computer-related expenses	166	1,582
Conference expenses	31,111	945
Employee benefits	8,755	8,897
Insurance	2,440	1,805
Interest and bank charges	76	67
Meetings and conventions	11,644	19,326
Memberships and licenses	615	1,237
Office expenses	1,660	3,356
Participant incentives and members services	9,330	14,150
Professional fees	3,781	1,870
Program materials	11,988	22,250
Promotion and other	1,462	1,611
Rental	23,791	24,716
Salaries and wages	121,211	127,130
Sub-contract and honorarium fees	79,506	119,773
Travel expenses	24,072	23,995
Utilities	5,230	4,830
Total operating expenses	338,291	378,069
Excess of revenue over expenses	\$ 11,343	\$ 12,805

The accompanying notes are an integral part of these financial statements.

Provincial Association of Transition Houses and Services

Statement of Net Assets

For the Year Ended March 31, 2019

	2019	2018
Net Assets- Unrestricted, beginning balance	\$ 42,706	\$ 38,817
Net Assets-Restricted, beginning balance	15,117	6,201
Total Net Assets, beginning balance	57,823	45,018
Excess of revenue over expenses to unrestricted funds	13,782	3,889
Excess of revenue over expenses to internally restricted funds	(2,439)	8,916
Excess of revenue over expenses	11,343	12,805
Total Net Assets, ending balance	\$ 69,166	\$ 57,823

The accompanying notes are an integral part of these financial statements.

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Statement of Cash Flows

For the Year Ended March 31, 2019

	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenue over expenses	\$	9,226	\$ 12,805
Depreciation, depletion and amortization		1,453	529
Accounts receivable		500	(500)
GST receivable		1,483	910
Interest receivable		37	(60)
Pension		(5,379)	(5,686)
Accounts payable		1,420	5,545
Deferred income		(16,062)	(45,938)
Source deductions		(3,507)	6,278
Prepaid expense		435	649
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		(10,394)	(25,468)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to acquire property, plant, and equipment		(6,590)	(877)
Investments purchased		(330)	(5,240)
NET CASH USED BY INVESTING ACTIVITIES		(6,920)	(6,117)
CASH FLOWS FROM FINANCING ACTIVITIES:			
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		(17,314)	(31,585)
Cash and cash equivalents at beginning of period		101,164	132,749
Cash and cash equivalents at end of period	\$	83,850	\$ 101,164

Cash and cash equivalents consist of the following:

Cash	\$	83,850	\$ 101,164
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The accompanying notes are an integral part of these financial statements.

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2019

1. Significant Accounting Policies

a. Nature of Association

Provincial Association of Transition Houses and Services of Saskatchewan Inc. (PATHS) a non-profit organization formed in 1984. The association active members are shelters, satellites, and second stage houses. The Board of Directors includes the Directors/ Executive Directors of their designate of the active member. The mission of PATHS is to create a society free of violence against women and their children.

b. Basis of accounting

These financial statements are prepared using Canadian Accounting Standards for Not-for-Profit Organizations.

c. Cash and cash equivalents

Cash and cash equivalents includes chequing and saving bank accounts, and petty cash. These are valued at cost which approximates market value.

d. Property, plant and equipment

Property, plant and equipment is carried at cost. Grants intended to finance capital assets acquisition are netted against the cost of the assets. Depreciation is calculated using the declining balance method with the following rates:

-Computer and office equipment at 30%

-Furniture and equipment at 20%

-Computer software at 50%

e. Income taxes

The association is exempt from paying corporate taxes under the section 149(1)(l) of Canadian Income Tax Act paragraph for Not-for-Profit Organizations.

f. Financial instruments

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry its guaranteed investment certificates at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2019

1. Significant Accounting Policies continued

f. Financial instruments continued

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount of timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

g. Revenue recognition

PATHS follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recorded in revenue over the period to which the membership relates. Interest income is earned over the maturity of the investment.

h. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

No estimates have been made by the management in 2019 fiscal year.

2. Receivables

Accounts receivable consist of the following:

	2019	2018
Membership receivable	\$ -	\$ 500
GST receivable	1,119	2,602
Interest receivable	45	82
Total	\$ 1,164	\$ 3,184

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2019

3. Property, plant and equipment

Property, plant and equipment consist of the following:

	Cost	Accumulated Depreciation and Grants received to buy assets	2019 Net Book Value	2018 Net Book Value
Computer equipment	\$ 4,678	\$ (4,464)	\$ 214	\$ 304
Furniture	5,047	(4,676)	371	464
Office equipment	2,906	(2,009)	897	157
Equipment	9,415	(2,722)	6,693	596
Computer software	650	(576)	74	66
Computer equipment-funded by grant	4,236	(4,236)	-	-
Office equipment-funded by grant	1,791	(1,791)	-	-
Computer software-funded by grant	364	(364)	-	-
Total	\$ 29,087	\$ (20,838)	\$ 8,249	\$ 1,587

4. Pension

The association has entered into a defined benefit pension plan, managed by Great West Life Insurance (GWL). As at March 31, 2019, three employees qualified to be enrolled. There are number of requirements created by the association for entitlement to pension benefit plan to its employees. Company's portion of contribution as at year end was \$ 3,942.

5. Investments

	2019	2018
Conexus term deposit, due on February 26, 2020, with annual interest rate @ 1.200%	\$ 22,300	\$ 22,058
Conexus term deposit, due on December 7, 2019, with annual interest rate @ 1.750%	5,088	5,000
Total	\$ 27,388	\$ 27,058

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2019

6. Accounts payable and accrued expenses

Accounts payable consist of the following:

	2019	2018
Trade accounts payable	\$ 6,972	\$ 6,144
Employee deductions payable	2,771	6,278
Total	\$ 9,743	\$ 12,422

7. Deferred revenue

Deferred revenue consists of the following

	2019	2018
Law Foundation Fund	\$ 25,926	\$ -
PAF	22,018	30,000
IWD	6,482	6,482
SWC	-	34,006
Total deferred revenue	\$ 54,426	\$ 70,488

8. Economic dependence

PATHS currently receives significant revenues in grants. As a result, the association is dependent upon the continuance of these grants to maintain operations at their current level.

9. Credit risk

Exposure to credit risk, interest rate risk and liquidity risk arise in the normal course of the Association's operations.

Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

The association's principal financial assets are cash, accrued interest receivable and guaranteed term investments. The carrying amounts of financial assets in the statement of financial position represent the

Provincial Association of Transition Houses and Services of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2019

9. Credit risk continued

association's maximum credit exposure at the balance sheet date. The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated based on previous experience and an assessment of the current economic environment. The association does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. Dealing with institutions that have strong credit ratings minimizes credit risk related to cash and guaranteed investment certificates.

Liquidity risk:

Liquidity risk is the risk that the association will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the association not being able to liquidate assets in a timely manner at a reasonable price.

The association monitors its cash flow throughout the year to ensure its billing practices take into account the timing and level of its cash obligations. The association has sufficient funds from which to operate and this risk is considered to be low.

10. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Provincial Association of Transition Houses and Services

For the Year Ended March 31, 2019

Schedule of Grants Revenue

	2019	2018
CWF	\$ -	\$ 23,000
Law Foundation Funding	11,575	-
Justice funding	40,170	40,170
PAF grant	17,982	-
PHAC	174,092	216,421
Status of Women	39,005	80,000
Waypoint	13,260	-
Total grants	\$ 296,084	\$ 359,591

The accompanying notes are an integral part of these financial statements.

Provincial Association of Transition Houses and Services

For the Year Ended March 31, 2019

Schedule of Deferred Revenue

	2019	2018
PAF		
Unspent	\$ 30,000	\$ -
PAF received	10,000	30,000
Expenses paid	(17,982)	-
PAF - deferred	22,018	30,000
Status of Women		
Unspent	34,006	114,006
SWC received	-	-
Expenses paid	(34,006)	(80,000)
SWC - deferred	-	34,006
International Woman		
Unspent	6,482	2,420
IWD received	-	4,062
Expenses paid	-	-
IWD - deferred	6,482	6,482
Law Foundation		
Unspent	-	-
Law Foundation received	37,500	-
Expenses paid	(11,574)	-
Law Foundation - deferred	25,926	-
Total Deferred Revenue	\$ 54,426	\$ 70,488

The accompanying notes are an integral part of these financial statements.

Provincial Association of Transition Houses and Services

For the Year Ended March 31, 2019

Schedule of income statement by class

March 31, 2019						
	Conference	CWF	IWD	Justice	Law Foundation	PAF
Income	28,113	-	1,035	40,170	11,618	17,982
Unused amount from last year						
Total income	28,113	-	1,035	401,70	11,618	17,982
Bank Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7
Child Minding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (239)
Conference Expense	30,392	-	-	-	-	-
Advisory Council Expense	-	-	-	3,880	2,144	-
Contractor Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,535
Facilities	-	1,000	-	4,470	3,594	2,307
Honorarium/Professional fees	-	-	-	-	520	8,023
Insurance, Bus	-	-	-	-	-	-
Meetings	-	-	-	-	516	1,232
Office supplies and materials	-	-	-	-	-	99
Participant Incentives	-	-	-	-	-	-
Program Materials	-	-	-	-	-	412
MERC	-	-	-	1,428	317	-
Payroll	-	-	-	24,536	4,527	-
Salaries & Benefits - Other	-	-	-	4,036	-	-
Telephone & Website	-	-	-	-	-	-
Sask Workers' Comp Board	-	-	-	-	-	-
Staff Development	-	-	-	-	-	-
Transcription	-	-	-	-	-	402
Travel	\$ 508	\$ 2,549	\$ -	\$ 1,820	\$ -	\$ 766
Total Expenses	\$ 30,900	\$ 3,549	\$ -	\$ 40,170	\$ 11,618	\$ 14,544
Excess of revenue over expenses to internally restricted funds	(2,787)	(3,549)	1,035	-	-	3,438

The accompanying notes are an integral part of these financial statements.

Provincial Association of Transition Houses and Services

For the Year Ended March 31, 2019

Schedule of income statement by class

	March 31, 2019			
	PHAC	SWC	Waypoint	Total
Income	174,092	39,005	13,260	325,276
Unused amount from last year	6,780			6,780
Total income	180,872	39,005	13,260	332,056
Bank Charge	\$ -	\$ 42	\$ -	\$ 49
Child Minding	\$ 11,039	\$ -	\$ -	\$ 10,800
Conference Expense	-	-	-	30,392
Advisory Council Expense	-	-	-	6,024
Contractor Payments	\$ 53,916	\$ -	\$ -	\$ 55,451
Facilities	11,181	2,000	-	24,552
Honorarium/Professional fees	-	2,374	-	10,917
Insurance, Bus	-	1,826	-	1,826
Meetings	-	85	-	1,833
Office supplies and materials	7,155	763	-	8,017
Participant Incentives	9,200	-	-	9,200
Program Materials	11,275	755	-	12,442
MERC	2,740	2,854	647	7,986
Payroll	54,898	23,398	12,625	119,984
Salaries & Benefits - Other	600	325	-	4,961
Telephone & Website	2,030	2,880	-	4,910
Sask Workers' Comp Board	-	116	-	116
Staff Development	-	1,329	-	1,329
Transcription	2,350	-	-	2,752
Travel	\$ 14,438	\$ 873	\$ -	\$ 20,954
Total Expenses	\$ 180,822	\$ 39,620	\$ 13,272	\$ 334,495
Excess of revenue over expenses to internally restricted funds	50	(615)	(12)	(2,439)

The accompanying notes are an integral part of these financial statements.